plicitly provides that the employer who pays compensation shall be indemnified and "subrogated to the rights of the employee to recover damages therefor." This shows an action by an employee cannot be barred by filing a compensation agreement, for, if so, an employer who is subrogated to the right of the employee could never sue after such agreement. In view of English precedents and the evident intent of the act the decision is sound.

MUNICIPAL CORPORATIONS — REDELEGATION OF DELEGATED POWERS — DISCRETION — STATUTE. — By statute the city council of Springfield was given authority to license and regulate the transportation of passengers for hire by motor vehicle. (1916, MASS. STAT. c. 293.) Another statute provided that the city council might delegate the granting of licenses to other officials and might regulate the granting. (1913, MASS. STAT. c. 429.) The city council passed an ordinance regulating the fee and requirements and delegated to the police commission authority to grant licenses where the applicants were found to be "suitable to conduct such business" and the vehicles, after inspection, "safe and proper." The defendant was convicted for operating without a license. *Held*, conviction sustained. *Commonwealth* v. *Slocum*, 119 N. E. 687 (Mass.).

It is settled that the legislature may delegate powers concerning municipal affairs to municipal corporations. *Welch* v. *Swasey*, 193 Mass. 364, 79 N. E. 745; *State* v. *Carpenter*, 60 Conn. 97, 22 Atl. 497. When the method of exercising the power is not prescribed by the legislature, the local body may use reasonable discretion. *City of Lake View* v. *Tate*, 130 Ill. 247, 22 N. E. 791; *Halsey* v. *Rapid Transit Co.*, 47 N. J. Eq. 380, 20 Atl. 859. See 1 DILLON, MUNICIPAL CORPORATIONS, 5 ed., § 242 *et seq.* This discretion as to method of exercising the power cannot be delegated to any other body. *Johnson* v. *The Mayor and Council of City of Macon*, 62 Ga. 645; *Conn.* v. *Glavin*, 67 Conn. 29; *Commonwealth* v. *Maletsky*, 203 Mass. 241, 89 N. E. 245; *State* v. *Garibaldi*, 44 La. Ann. 809, 11 So. 36; *Day* v. *Green and Another*, 4 Cush. (Mass.) 433. However, ministerial or administrative functions may be delegated. *Los Angeles, etc. Corp.* v. *Los Angeles*, 163 Cal. 621, 126 Pac. 594; *Harcourt* v. *Asbury Park*, 62 N. J. L. 158, 40 Atl. 690. The police commission has been allowed to decide whether moving pictures were immoral. *Block* v. *City of Chicago*, 239 Ill. 251, 87 N. E. 1011. An official has been allowed to decide the number and position of saloons. *People* v. *Gregier*, 138 Ill. 401, 28 N. E. 812. And it has been held that discretion in an administrative function may be used whether the ordinance gives it or not. *Harrison* v. *People*, 222 Ill. 150, 78 N. E. 52. The ordinance in the principal case does not set a fixed standard. This is immaterial, for it is impossible to set one, and public policy demands protection of the public. See *Block* v. *City of Chicago*, *supra*, 262, 3. And so the statute in the principal case which allows the above rule of common law is merely affirming the common law and should be construed in accordance with it. *Hewey* v. *Nourse*, 54 Me. 256; *Baker* v. *Baker*, 13 Cal. 87.

PROXIMATE CAUSE — WHAT CONSTITUTES IN INSURANCE CONTRACTS. — The plaintiff's vessel lying at anchor 1000 feet off shore was damaged by a concussion of the air caused by an explosion due to fire on shore. Plaintiff's ship was insured in defendant company. The policy covered loss by fire without expressly excepting explosions. *Held*, insurance company is not liable. *Bird* v. *St. Paul Fire & Marine Ins. Co.*, 120 N. E. 86 (N. Y.).

A policy of fire insurance covers all damage which, within the meaning of the policy, is the proximate consequence of the fire. *Lynn Gas, etc. Co.* v. *Meriden Fire Ins. Co.*, 158 Mass. 570, 33 N. E. 690. Logically, damage by concussion from a distant explosion of powder caused by fire is a proximate consequence of the fire, since no independent cause intervenes, but the few cases

deciding the point have denied recovery. *Everett* v. *London, etc. Ins. Co.*, 19 C. B. (N. S.) 126; *Laballero* v. *Home Mutual Ins. Co.*, 15 La. Ann. 217. See *Taunton* v. *Royal Ins. Co.*, 2 H. & M. 135, 138, 10 L. T. (N. S.) 156, 157. In New York, if a fire on the insured's premises causes an explosion, the insured can recover, though loss from explosion was excepted from the policy; but if the fire and explosion are on another's premises, recovery is denied. *Hustace* v. *Phenix Ins. Co.*, 175 N. Y. 292, 67 N. E. 592. Proximate causation does not explain these cases, as property lines and mere distance are not intervening causes. However, insurance policies are construed in accordance with the laws of insurance which cannot follow the chain of causation beyond business usage and the intention of the parties. The premium is fixed by certain fairly calculable elements of fire insurance. See ZARTMAN & PRICE, YALE READINGS IN INSURANCE — PROPERTY INSURANCE, ch. 8. Such a highly speculative risk as distant air concussion cannot enter into business calculations.

PUBLIC SERVICE COMPANIES — RATE REGULATION — RIGHT OF COMPANY TO INCREASE RATES FIXED BY CONTRACT. — Plaintiff brought suit in equity for specific performance of a ten-year, low-rate contract made by it with the predecessor of the defendant natural gas company in October, 1913, and for an injunction restraining defendant from cutting off its service in violation thereof, as it had done and threatened to continue to do, unless the plaintiff, a manufacturing corporation wholly dependent on this service for the operation of its plant, paid the greatly increased rates filed by defendant with the state public service commission. Defendant denied the binding force of said contract, alleging that it was discriminatory, and therefore illegal under the Public Service Company Law which took effect Jan. 1, 1914. Previous to filing the increased rates complained of, defendant had twice filed schedules at said contract rate for that class of service. *Held*, suit dismissed, and legal right of the utility company to discontinue said contract and increase rates for that service without first applying to the public service commission for permission sustained. *V. & S. Bottle Co.* v. *Mountain Gas Co.*, Pa. Sup. Ct. (June 3, 1918), 13 Rate Research, 335.

For discussion of the principles involved, see NOTES, p. 74.

TAXATION — PARTICULAR FORMS OF TAXATION — INHERITANCE TAXES — TAX ON THE TRANSFER OF POSSESSION OR ENJOYMENT. — A statute provided that an inheritance tax be imposed on all transfers of property made by a deed intended to take effect in possession or enjoyment at or after the death of the grantor. Lineal descendants were exempt. In 1911 C executed a deed to T in trust to pay the income to C during his life, then to distribute among lineal descendants of C. In 1914 an amendment to the statute abolished the exemption of lineal descendants; and in 1917 C died. *Held*, the gifts to the lineal descendants are subject to the tax. *Carter* v. *Bugbee*, 103 Atl. 818 (N. J.).

A voluntary trust completely established cannot be revoked by the settlor. *Lovett* v. *Farnham*, 169 Mass. 1, 47 N. E. 246; *Sands* v. *Old Colony Trust Co.*, 195 Mass. 575, 81 N. E. 300. The principal case follows what appears to be the settled authority that a statute taxing the receipt or transmission of possession or enjoyment is imposing a transfer tax as distinguished from a property tax imposed on ownership. *In re Green's Estate*, 153 N. Y. 223, 47 N. E. 292; *Crocker* v. *Shaw*, 174 Mass. 266, 54 N. E. 549. See 28 HARV. L. REV. 437. *Cf.* 20 HARV. L. REV. 655. However, if, as the courts admit, the execution of the deed by C gives the descendants a vested equitable interest, it is arguable that a statute passed afterward, which taxes the already vested right to a later possession or enjoyment, goes as far towards imposing a property tax as it would if taxing the receipt of possession by any remainderman or if taxing the reversion of possession to a bailor. The principal case is materially